

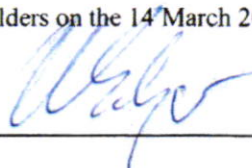
Osram A/S

CVR-no. 37 22 97 33

Dybendalsvænget 3
2630 Taastrup

Annual Report 2015/16 (Financial year 16 November 2015 - 30 September 2016)

The Annual Report is presented and
adopted at the Annual General Meeting of
shareholders on the 14 March 2017



Chairman of the meeting

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Management's Statement

The Board of Directors and the Executive Board have today considered and approved the Annual Report of 16 November 2015 - 30 September 2016 for Osram A/S.

The Annual Report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the Company's assets and liabilities, financial position and results of operations for the financial year ended 30 September 2016.

In our opinion the Management's Review gives a true and fair statement regarding the content in the Management's Review.

We recommend the Annual Report approved at the Annual General Meeting.

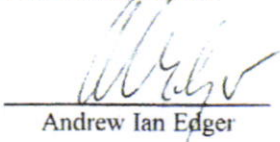
Taastrup, 14 March 2017

Executive Board:

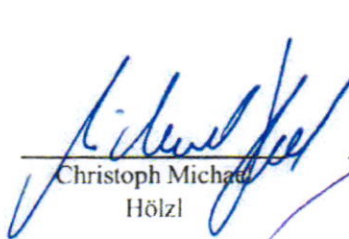


Victoria Elisabet Widén

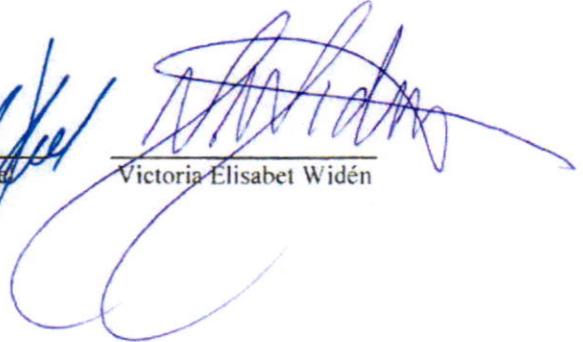
Board of Directors:



Andrew Ian Edger



Christoph Michael
Hölzl



Victoria Elisabet Widén

Independent Auditor's Reports

To the Shareholders of Osram A/S

Report on the Financial Statements

We have audited the financial statements of Osram A/S for the financial year 16 November 2015 - 30 September 2016, which comprise the income statement, balance sheet, notes and accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's Responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish Audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management, as well as the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit konklusion.

Our audit has not resulted in any qualification.

Independent Auditor's Reports (-continued)

Opinion

In our opinion the financial statements give a true and fair view of the company's financial position as of 30 September 2016 and of its financial operations for the financial year 16 November 2015 - 30 September 2016 in accordance with the Danish Financial Statements Act.

Statements in accordance with other legislation and regulatory

Statement on the Management's review

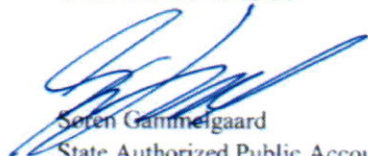
Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any other procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information given in the Management's Review is consistent with the financial statements.

Frederiksberg, 14 March 2017

ERNST & YOUNG

Godkendt Revisionspartnerselskab

CVR. no.: 30 70 02 28



Søren Gammelgaard
State Authorized Public Accountant



Allan Nørgaard
State Authorized Public Accountant

Corporate information

The Company	Osram A/S Dybendalsvænget 3 2630 Taastrup	
	CVR-no.:	37 22 97 33
	Website:	www.osram.com
	Registered office:	Taastrup
	Financial year:	16. november - 30. september
Executive Board	Victoria Elisabet Widén	
Board of Directors	Andrew Ian Edger Christoph Michael Hölzl Victoria Elisabet Widén	
Auditor	ERNST & YOUNG Godkendt Revisionspartnerselskab Osvald Helmuths Vej 4 2000 Frederiksberg CVR-nr.: 30 70 02 28	

Management's Review

Primary activities of entity

The Company's main activity is the sale of lighting products, systems and solutions on the Danish market incl. Greenland and the Faroe Islands.

Development in activities and financial affairs

The development of the Company is regarded as satisfactory. The result of the year is a loss of tDKK151. The result is influenced by the general economic development in Denmark and the strong competition from Asia.

The company has been spin off from the old Osram Lamp & Bulb activity and concentrates on innovative lighting products and solutions.

On July 1st 2016 the business activities were transferred from Ledvance A/S to the company including assets and liabilities. In connection herewith the goodwill in the amount of DKK 25.180.000 was recognised.

This business has operated on stand alone basis since July 1st 2016. In the period 16 November 2015 - 30 June 2016 the company had no activities.

Expected development

There is a moderate net sales growth forecasted for the current and future years providing stable profit levels, based on good development of sales of innovative products and cost control.

Significant events occurred after the end of the financial year

No events materially affecting the financial position of the company have occurred after the end of the financial year.

Income statement 16 November 2015 - 30 September 2016

	<u>Notes</u>	<u>2015/16</u> <u>11 months</u>
Revenue		15.854.153
Cost of sales		-11.681.920
Other operating income		23.492
Other external expenses		-1.131.563
Gross profit		3.064.162
Staff costs	1	-2.569.023
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets recognised in profit or loss	2	-682.602
Operating profit		-187.463
Financial income		2
Financial expenses	3	-2.672
Profit before tax		-190.133
Tax expense	4	38.926
Profit for the year		-151.207
 Proposed distribution of results		
Retained earnings		-151.207
Proposed dividend recognised in equity		0
Total distribution		-151.207

Balance sheet at 30 September 2016

Assets

	Notes	2016
Goodwill	5	24.550.500
Intangible assets		24.550.500
Leasehold improvements	6	323.824
Fixtures, fittings, tools and equipment	7	74.223
Property, plant and equipment		398.047
Non-current assets		24.948.547
Manufactured goods and goods for resale		254.244
Inventories		254.244
Trade receivables		16.485.558
Receivables from group enterprises	8	7.144.943
Prepayments		295.838
Receivables		23.926.339
Cash and cash equivalents		2.276.442
Current assets		26.457.025
Assets		51.405.572

Balance sheet at 30 September 2016

Equity and liabilities

	Notes	2016
Share capital		510.000
Retained earnings		25.118.793
Proposed dividend recognised in equity		0
Equity	9	<u>25.628.793</u>
Provisions for deferred tax	10	689.437
Provisions		<u>689.437</u>
Long-term tax payables		6.391.545
Long-term liabilities other than provisions	11	<u>6.391.545</u>
Short-term tax payables	11	0
Debt to banks		1.419.894
Trade payables		209.955
Payables to group enterprises		11.955.360
Other payables		5.110.588
Short-term liabilities other than provisions		<u>18.695.797</u>
Liabilities other than provisions		<u>18.695.797</u>
Equity and liabilities		<u>51.405.572</u>
Other provisions	12	
Contingent liabilities	13	
Consolidated accounts	14	

Notes

	2015/16
1 Staff costs	
Wages and salaries	2.378.120
Post-employment benefit expense	168.632
Social security contributions	22.271
	<u>2.569.023</u>
2 Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets recognised in profit or loss	
Amortization, goodwill	629.500
Depreciation, leasehold improvements	3.434
Depreciation, fixtures, fittings, tools and equipment	49.668
	<u>682.602</u>
3 Financial expenses	
Finance expenses arising from group enterprises	2.464
Other financial expenses	208
	<u>2.672</u>
4 Tax expense	
Tax on loss from ordinary activities, joint taxation	-728.363
Adjustment of deferred tax	689.437
	<u>-38.926</u>
<i>Joint taxation recognized in balancesheet</i>	
Receivables from group enterprises	7.119.908
Long-term tax payables	-6.391.545
	<u>728.363</u>

Notes

	<u>2016</u>
5 Goodwill	
Cost at 16 November	0
Additions	<u>25.180.000</u>
Cost at 30 September	<u>25.180.000</u>
Amortization at 16 November	0
Amortization for the year	<u>629.500</u>
Amortization at 30 September	<u>629.500</u>
Carrying amount at 30 September	<u>24.550.500</u>
6 Leasehold improvements	
Cost at 16 November	0
Additions	<u>327.258</u>
Cost at 30 September	<u>327.258</u>
Depreciations at 16 November	0
Depreciation for the year	<u>3.434</u>
Depreciations at 30 September	<u>3.434</u>
Carrying amount at 30 September	<u>323.824</u>
7 Fixtures, fittings, tools and equipment	
Cost at 16 November	0
Additions	<u>123.891</u>
Cost at 30 September	<u>123.891</u>
Depreciations at 16 November	0
Depreciation for the year	<u>49.668</u>
Depreciations at 30 September	<u>49.668</u>
Carrying amount at 30 September	<u>74.223</u>

Notes

	<u>2016</u>
8 Receivables from group enterprises	
Tax receivables from group enterprises in national joint taxation, in which time of payment is more than one year from balance sheet date	7.119.908
Other receivables from group enterprises	25.035
	<u>7.144.943</u>
9 Equity	
Share capital at 16 November	500.000
Capital increase this year	10.000
Share capital at 30 September	<u>510.000</u>
Retained earnings at 16 November	0
Share premium at capital increase this year	25.270.000
Proposed distribution of results this year	<u>-151.207</u>
Retained earnings at 30 September	<u>25.118.793</u>
Equity 30 September	<u>25.628.793</u>
10 Provisions for deferred tax	
Deferred tax at 16 November	0
Changes in deferred tax	689.437
Deferred tax at 30 September	<u>689.437</u>

Notes

11 Details on long-term liabilities

	Total Payables 30. september 2016	Due in one year	Due after one year	Due after five years and more
Tax payables on behalf of national joint taxation	6.391.545	0	6.391.545	0
	6.391.545	0	6.391.545	0

12 Other provisions

Osram A/S offers a guarantee on certain products. No provision has been set aside for expected guarantee demands on basis of previous experiences.

13 Contingent liabilities

The Company has entered into contractual commitments regarding leases and operational leasing contracts for a total of DKK 2.548.748 up to 30 June 2019. DKK 1.838.053 relates to the Company's lease at Dybendalsvænget 3.

The company is a management company in the national joint taxation with Ledvance A/S. The companies in the joint taxation are jointly liable on corporation taxes and taxes on dividends, interest and royalties.

14 Consolidated accounts

The consolidated financial statements can be obtained from, which comprise the smallest and largest group:

OSRAM Licht AG
OSR T AC
Marcel-Breuer-Straße 6
80807 München, Deutschland
DE292281767

Accounting policies

The Annual Report has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B with election from reporting class C.

The company has applied the new Danish Financial Statements Act, only regarding useful life of goodwill.

General

Reporting currency

The Annual Report is presented in Danish kroner (DKK).

In general regarding accounting and measuring

Income is recognized in the income statement when they are earned. Furthermore are all costs, depreciations and write downs recognized in the income statement when incurred.

Assets are recognized in the balance sheet when it is probable that future economical benefits will accrue to the company and the assets value can be measured reliably.

Liabilities are recognized in the balance sheet when it is probable that future economical benefits will be deducted from the company and the value can be measured reliably.

On initial recognition assets and liabilities are measured to cost price. Thereafter assets and liabilities are measured as described for each entry.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Currency exchange

Transactions denominated in foreign currency are translated into the functional currency at the exchange rates ruling at the date of the transaction. Exchange differences arising between the transaction date and the exchange rate at the date of actual payment are recognized in the income statement under financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated into the functional currency at the exchange rates ruling at the balance sheet date. The difference between the exchange rates ruling at the balance sheet date and at the date when the receivable or payable arose is recognized in the income statement under financial income or financial expenses.

Accounting policies

Non-current assets acquired in foreign currency are measured to the exchange rate ruling at the date of the transaction.

Income statement

Revenue

Revenue includes invoiced sales of goods and rendering of services, recognition is done, when

- delivery and transfer of risk to the buyer has taken place before year end
- a committing sales agreement exists
- sales price is determined, and
- payment is received, or there are reasonable security that it will be received

Revenue is recognized excluding value added tax and after deduction of provisions rebates and trade discounts relating to the sale.

Cost of sales

Cost of sales include costs incurred to achieve revenue for the year. Cost of sales include freight and forwarding costs.

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, bad debt, premises, operating lease agreements etc.

Staff costs

Staff costs comprise costs such as wages and salaries, pension costs and other social security benefits ect. to the company's employees.

Other operating income and expenses

Other operating income and expenses includes items of a secondary nature relative to the enterprise's core business.

Financial items

Financial income and expenses are recognized in the income statement with the amounts related to the year. Financial income and expenses comprise interest receivable and payable, realised and unrealised capital gains on securities and currency translation adjustments.

Tax expense

Tax on income for the year, consisting of the year's current tax and deferred tax, is recognized in the income statement to the extent that it relates to the income or loss for the year and on equity to the extent that it relates there to.

Accounting policies

Balance sheet

Intangible assets

Acquired goodwill is measured at historic cost less accumulated amortization and impairment losses. Goodwill is amortized over the estimated useful economic life. When it is not possible to estimate an useful life of goodwill, goodwill is amortized over a period of 10 years according to section 43,3 in the new Danish Financial Statements Act.

Impairment of intangible assets

The carrying amount of intangible assets is every year reviewed in order to determine if there are indications of impairment exceeding the amount expressed by amortisations. If this is the case a impairment test is carried out in order to determine if the recoverable amount is lower than the carrying amount. The assets are written down to this lower value.

Recoverable amount for the asset is determined as the highest value of net sales price and the capital value. If it is not possible to determine the recoverable amount for the individual asset, assets are assessed together with the smallest group of assets where it is possible to determine a reliable evaluation of the recoverable amount.

Assets where it is not possible to determine an individual capital value because the asset does not generate future cash flows is assessed together with the group of assets which they can be attributed to.

Property, plant and equipment

Leasehold improvements, fixtures, fittings, tools and equipment are measured at historic cost less accumulated depreciation and impairment losses.

Historic cost comprise the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Assets are depreciated on a straight-line basis over the expected useful economic lives of the assets:

	<u>Useful life</u>	<u>Expected scrap value</u>
Leasehold improvements	3-10 years	0-20%
Fixtures, fittings, tools and equipment	3-10 years	0-20%

Asset acquisitions below the taxable limit is fully written off in the year of acquisition.

Accounting policies

Gains and losses on disposals are determined as the difference between selling price less sales cost and carrying amount at time of disposal and are recognized in the income statement. Gain or loss is recognized under depreciations.

Impairment of property, plant and equipment

The carrying amount of property, plant and equipment is every year reviewed in order to determine if there are indications of impairment exceeding the amount expressed by depreciations and amortisations. If this is the case an impairment test is carried out in order to determine if the recoverable amount is lower than the carrying amount. The assets are written down to this lower value.

Recoverable amount for the asset is determined as the highest value of net sales price and the capital value. If it is not possible to determine the recoverable amount for the individual asset, assets are assessed together with the smallest group of assets where it is possible to determine a reliable evaluation of the recoverable amount.

Assets where it is not possible to determine an individual capital value because the asset does not generate future cash flows is assessed together with the group of assets which they can be attributed to.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

The net realisable value of inventories is determined taking into account marketability, obsolescence and development in expected sales price less completion costs and costs incurred to effectuate the sale.

Receivables

Receivables are measured at amortized cost which corresponds in all material respects to nominal value. The value is reduced with provisions for expected bad debts.

Deferred income assets

Deferred income, recognized under assets, comprise costs incurred concerning subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprises cash balances and bank balances.

Accounting policies

Dividends

Dividends expected to be paid in respect of the year are stated as a separate line item under equity.

Provisions

Liabilities are recognised if they are certain or probable at the balance sheet date, and if the size of the liability can be measured on a reliable basis. The liability is calculated as the amount expected to be paid.

Current tax and current deferred tax

Current tax liabilities and current tax assets are recognized in the balance sheet as estimated tax on the taxable income for the year, adjusted for change in tax on prior years' taxable income and for tax paid under the on-account tax scheme.

Deferred tax is measured according to the balance sheet liability method on all timing differences between the tax and accounting value of assets and liabilities.

Deferred tax assets including the tax value of tax loss carryforwards, are measured at the value at which the asset is expected to be realized, either by equalization in future income tax, or by offsetting deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realizable value.

Deferred income tax is measured using tax rules and tax rates that apply by the balance sheet date when the deferred tax asset is realised or the deferred income tax liability is settled. The change in deferred tax as a result of changes in tax rates is recognized in the income statement.

Liabilities

Other liabilities are measured at amortized cost, corresponding to the nominal value.